

Message Text

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ACTION EB-07

INFO OCT-01 ARA-06 ISO-00 AGR-05 CIAE-00 COME-00 INR-07

LAB-04 NSAE-00 SP-02 STR-04 TRSE-00 CIEP-01 FRB-03

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FM AMEMBASSY BUENOS AIRES

TO SECSTATE WASHDC 2125

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E.O. 11652: N/A

TAGS: EPAP, ETRD, AR, IT

SUBJECT: ARGENTINE NATIONAL GRAIN BOARD INTERVENED

PASS AGRICULTURE

TOFAS 2575

1. ON JUNE 24 THE NATIONAL GRAIN BOARD (NGB) SOLD PAGNAN, AN ITALIAN FIRM (THROUGH AZERTUM, THEIR REPRESENTATIVE IN ARGENTINA), 150,000 TONS OF WHEAT AT 127-128 DOLLARS PER TON, DELIVERY DATES JULY-NOVEMBER.

2. APPROXIMATELY 3 WEEKS LATER A CGT REP WHO IS ALSO A MEMBER OF NGB'S BOARD OF DIRECTORS CLAIMED THIS SALE WAS SUSPECTED TO BE ILLEGAL SINCE IT WAS CONCLUDED BETWEEN THE PRESIDENT OF THE NGB AND THE IMPORTER AND THE NGB DID NOT CALL FOR BIDS AS IT ALWAYS DOES AND IS OBLIGED TO DO. HE ALSO CLAIMED THE AMOUNT OF THIS SALE, AT THE PRESENT TIME, COULD REDUCE ARGENTINE WHEAT STOCKS TO 350,000 TONS, A DANGEROUSLY LOW LEVEL. THIS STATEMENT WAS PUBLISHED IN THE NEWSPAPERS. THE FOLLOWING DAY IN A PRESS CONFERENCE, PRESIDENT DUCHINI OF THE NGB STATED THAT THE SALE WAS MADE WITHOUT BIDS UNDER DIRECT INSTRUCTIONS OF THE MINISTRY OF ECONOMY. REGARDING WHEAT STOCKS, DUCHINI SAID THAT EVEN AFTER DEDUCTING LATER SALES OF 80,000 TONS

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TO THE SAME BUYER AND ANOTHER 10,000 TONS SOLD THROUGH

ARGENTINE COOPERATIVES, HE ESTIMATED THAT ARGENTINA HAS MORE THAN 800,000 TONS OF WHEAT IN STOCK.

3. ON JULY 24 A LABOR LEADER FROM NGB DELIVERED A COPY OF THE ACCUSATION TO THE CHAMBER OF DEPUTIES. DURING A MEETING WITH THE PRESS, THE LABOR LEADER STATED THAT THE MINISTER OF ECONOMY ORDERED THE SALE BECAUSE THE COUNTRY "IS IN NEED OF MONEY", ADDING LATER THAT THE MINISTER'S DECISION SURPRISED HIM SINCE IT WAS ARRANGED THAT PAYMENT OF THE GRAIN WOULD BE MADE IN DECEMBER INSTEAD OF IMMEDIATELY IN CASH. THERE IS A SHIP LOADED WITH APPROXIMATELY 2,000 TONS OF WHEAT READY TO DEPART AND IN THE EVENT THIS SALE SHOULD BE CANCELLED, THE WHEAT WOULD NOT BE RECOVERED, THE LEADER SAID.

4. COMMENTS: ACCORDING TO JULY 31 NEWSPAPERS, THE NGB WAS INTERVENED AND THE PRESIDENT AND MEMBERS OF THE BOARD RELIEVED OF THEIR FUNCTIONS. EMBASSY HAS BEEN INFORMED BY THE PRIVATE TRADE THAT THIS IS NOT THE FIRST TIME THAT NGB PRESIDENT DUCHINI HAS BEEN BRIBED. A SIMILAR CASE IS SAID TO HAVE HAPPENED WITH A SALE OF GRAIN TO PRC WHEN HE WAS PRESIDENT OF THE BOARD IN 1973 BUT WAS NEVER DISCLOSED.

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Message Attributes

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Disposition Case Number: n/a
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Disposition Date: 28 MAY 2004
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Margaret P. Grafeld
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